

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		5. Lease Serial No. UTU-73917	
2. Name of Operator QEP UINTA BASIN, INC.		6. If Indian, Allottee or Tribe Name N/A	
Contact: JAN NELSON E-Mail: JAN.NELSON@QUESTAR.COM		7. If Unit or CA Agreement, Name and No.	
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		8. Lease Name and Well No. RWS 2ML-14-9-24	
3b. Phone No. (include area code) Ph: 435-781-4331 Fx: 435-781-4329		9. API Well No. 43-047-36450	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNE 811FNL 1945FEL 40.04089 N Lat, 109.04089 W Lon At proposed prod. zone 655415X 4433672Y 40.040862 -109.178305		10. Field and Pool, or Exploratory UNDESIGNATED Wildcat	
14. Distance in miles and direction from nearest town or post office* 40 +/- MILES SOUTHEAST OF VERNAL, UT.		11. Sec., T., R., M., or Blk. and Survey or Area Sec 14 T9S R24E Mer SLB	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 811 +/-		12. County or Parish UINTAH	
16. No. of Acres in Lease 1098.00		13. State UT	
17. Spacing Unit dedicated to this well 40.00		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	
19. Proposed Depth 7250 MD		20. BLM/BIA Bond No. on file ESB000024	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5313 GL		23. Estimated duration 10 DAYS	
22. Approximate date work will start			

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) JAN NELSON Ph: 435-781-4331	Date 03/18/2005
Title REGULATORY AFFAIRS ANALYST		
Approved by (Signature)	Name (Printed/Typed) BRADLEY G. HILL	Date 03-29-05
Office ENVIRONMENTAL SCIENTIST III		

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Electronic Submission #55219 verified by the BLM Well Information System
For QEP UINTA BASIN, INC., sent to the Vernal

MAR 28 2005

DIV. OF OIL, GAS & MINING

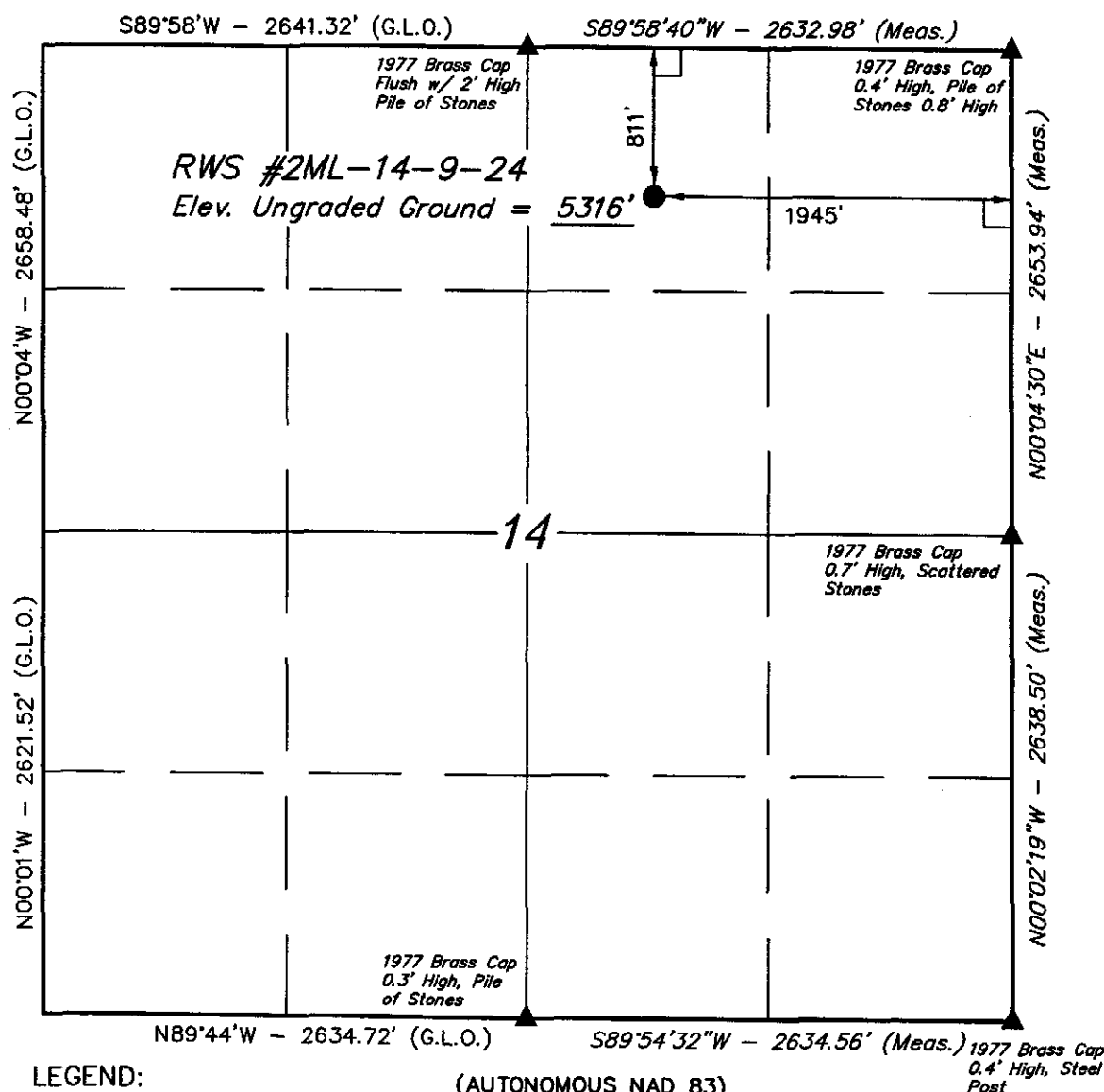
CONFIDENTIAL

FILE COPY

Federal Approval of this
Action is Necessary

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

T9S, R24E, S.L.B.&M.



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)
 LATITUDE = 40°02'27.20" (40.040889)
 LONGITUDE = 109°10'44.36" (109.178989)
 (AUTONOMOUS NAD 27)
 LATITUDE = 40°02'27.32" (40.040922)
 LONGITUDE = 109°10'41.94" (109.178317)

QUESTAR EXPLR. & PROD.

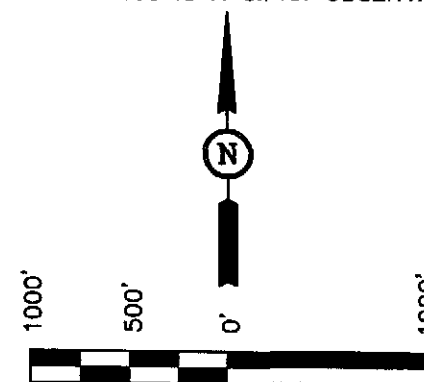
Well location, RWS #2ML-14-9-24, located as shown in the NW 1/4 NE 1/4 of Section 14, T9S, R24E, S.L.B.&M. Uintah County, Utah

BASIS OF ELEVATION

BENCH MARK 45EAM LOCATED IN THE NW 1/4 SW 1/4 OF SECTION 6, T9S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5350 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 01-10-05	DATE DRAWN: 01-16-05
PARTY D.A. T.C. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUESTAR EXPLR. & PROD.	

Additional Operator Remarks

QEP, Uinta Basin Inc. proposes to drill a well to 7250' to test the MesaVerde. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements

See attached 8-point drilling program.

See Multi point surface use program.

Please be advised that QEP, Uinta Basin Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No.ESB000024. The principal is QEP, Uinta Basin Inc. via surety as consent as provided for the 43 CFR 3104.2.

DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	1215'	
Wasatch	3610'	Gas
Mesa Verde	4710'	
Buck Tongue	7030'	
TD	7250'	

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Buck Tongue	7250'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted. Fresh water will be obtained from Wonsits Valley water right #36125 or Red Wash water right # 49-2153 to supply fresh water for drilling purposes.

All water resulting from drilling operations will be disposed of at Red Wash Central Battery Disposal Site; SWSE, Section 27, T7S, R23E or Wonstis Valley Disposal Site; SWNW, Section 12, T8S, R21E.

DRILLING PROGRAM

3. Operator's Specification for Pressure Control Equipment:

- A. 3,000 psi W.P. Double Gate BOP or Single Gate BOP (schematic attached)
- B. Functional test daily
- C. All casing strings shall be pressure tested (0.2 psi/foot or 1500 psi, (or 70% of burst whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 50 percent of internal yield pressure of casing whichever is less. BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc..., for a 3M system and individual components shall be operable as designed.

4. Casing Program

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg Size</u>	<u>Type</u>	<u>Weight</u>
Surface	2700'	12 1/4"	9-5/8"	J-55	36 lb/ft (new) LT&C
TD	7250'	7-7/8"	4-1/2"	M-80	11.60 lb/ft (new)LT&C

5. Auxiliary Equipment

- A. Kelly Cock – yes
- B. Float at the bit – no
- C. Monitoring equipment on the mud system – visually and/or PVT/Flow Show
- D. Full opening safety valve on the rig floor – yes
- E. Rotating Head – yes
If drilling with air the following will be used:
- F. The blooie line shall be at least 6" in diameter and extend at least 100' from the well bore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').

DRILLING PROGRAM

- H. Compressor shall be tied directly to the blooie line through a manifold.
- I. A mister with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

Surface hole will be drilled with air, air/mist, foam, or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is 9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from surface casing depth to TD.

6. Testing, logging and coring program

- A. Cores – none anticipated
- B. DST – none anticipated

Logging – Mud logging – 4500 to TD
GR-SP-Induction
Neutron Density
MRI

- C. Formation and Completion Interval: Buck Tongue interval, final determination of completion will be made by analysis of logs.
Stimulation – Stimulation will be designed for the particular area of interest as encountered.

DRILLING PROGRAM

7. Cementing Program

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
Surface	1541sx	Class "G" single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Fill to surface with 160 cf (1541sx) calculated. Tail plug used. Allowed to set under pressure

Production	Lead-853sx* Tail-916sx*	Lead/Tail oilfield type cement circulated in place . Tail slurry: Class "G" + gilsonite and additives as required, mixed to 14.8 ppg, yield = 1.34 cf/sx. Fill to 4210' (±500' above production zone).
------------	----------------------------	---

Cement Characteristics:

Lead slurry: Class "G" + extender and additives as required, mixed to 11.0 ppg, yield = 3.82 cf/sx. Fill to surface. Tail plug used. Allowed to set under pressure.

*Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

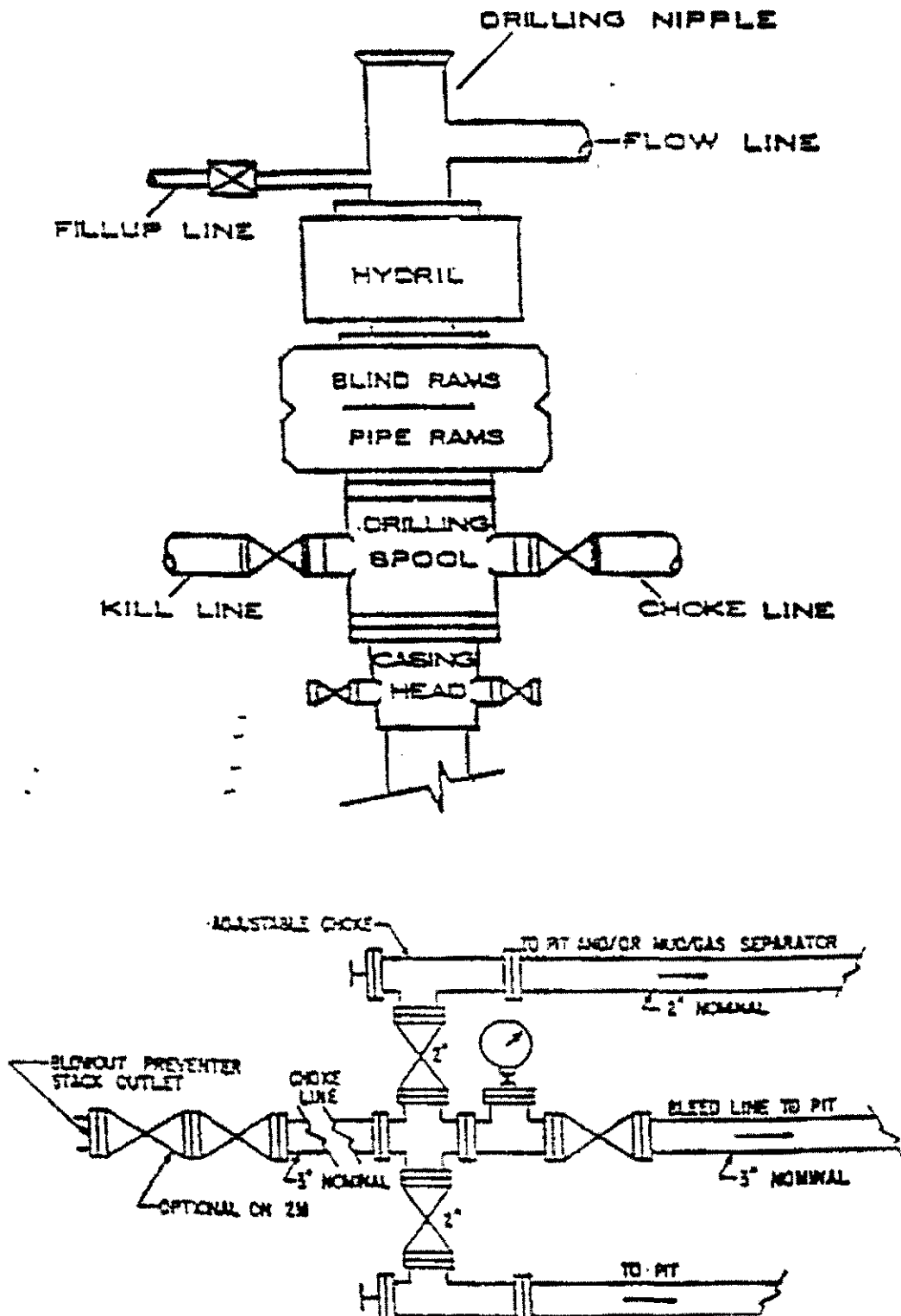
8. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards

No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 3144.0 psi. Maximum anticipated bottom hole temperature is 140° F.

ONSHORE OIL & GAS ORDER NO. 1
QEP Uinta Basin, Inc.
RWS 2ML-14-9-24

DRILLING PROGRAM

SCHEMATIC DIAGRAM OF 3,000 PSI BOP STACK



QEP UINTA BASIN, INC.
RWS 2ML-14-9-24
811' FNL 1945' FEL
NWNE, SECTION 14, T9S, R24E
UINTAH COUNTY, UTAH
LEASE # UTU-73917

ONSHORE ORDER NO. 1

MULTI - POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the RWS 2ML-14-9-24 on March 10, 2005. Weather conditions were windy and clear at the time of the onsite. In attendance at the inspection were the following individuals:

Paul Buhler	Bureau of Land Management
Amy Torres	Bureau of Land Management
Jan Nelson	QEP Uinta Basin Inc.
Amy Garcia	QEP Uinta Basin Inc.

1. Existing Roads:

The proposed well site is approximately 40 miles Southeast of Vernal, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 - mile radius.

No improvements will be made to existing access roads.

2. Planned Access Roads:

Refer to Topo Map B for the location of the proposed access road.

Install culvert as needed on the proposed access road.

3. Location of Existing Wells Within a 1 - Mile Radius:

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities:

Refer to Topo Map D for the location of the proposed pipeline.

A containment dike will be constructed completely around those production facilities which contains fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted impervious subsoil; hold 110% of the capacity of the largest tank; and, be independent of the back cut. If a Spill Prevention, Control, and Countermeasure (SPCC) Plan is required by the Environmental Protection Agency, the containment dike may be expanded to meet SPCC requirements with approval by the BLM/VFO AO. The use of topsoil of the construction of dikes will not be allowed. All loading lines will be placed inside the berm surrounding tank battery. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

5. Location and Type of Water Supply:

Fresh water drilling fluids will be obtained from Wonsits Valley Water Right # 36125, or Red Wash Right # 49-2153.

6. Source of Construction Materials:

Surface and subsurface materials in the immediate area will be utilized. Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit. Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility with 120 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order #7, all produced water will be contained in tanks on location and then hauled to Wonsits Valley location in SWNW section 12, T8S, R21E; or Red Wash Disposal Well located in NESW, Section 28, T7S, R22E; or, Red Wash Central Battery Disposal located in SWSE, Section 27, T7S, R23E. Pit reclamation for lined pit will be ruptured when emptied to allow the remaining liquid to be adequately mixed and to promote additional drying of the pit area.

8. Ancillary Facilities:

None anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

A pit liner is required. A felt pit liner will be required if bedrock is encountered.

10. Plans for Reclamation of the Surface:

Topsoil will be stripped and salvaged to provide for sufficient quantities to be respread to a depth of at least 4 to 6 inches over the disturbed areas to be reclaimed. Topsoil shall be stock piled separately from subsoil materials. Topsoil salvaged from the reserve pit shall be stockpiled separately near the reserve pit. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production. Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The reserve pit will be reclaimed within 120 days from the date of well completion, weather permitting.

Seed Mix: # 3

11. Surface Ownership:

Bureau of Land Management
170 South 500 East
Vernal, Utah 84078
(435) 781-4400

12. Other Information

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

No drilling or construction will take place during the Antelope season May 10 thru June 20th.

Authorized Officer determined the facilities will be painted Olive Black, color number 5WA20-6.

Lessee's or Operator's Representative:

Jan Nelson
Red Wash Rep.
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4331

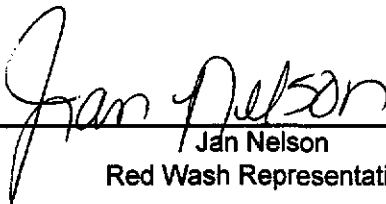
Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

QEP Uinta Basin, Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by QEP Uinta Basin, Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Jan Nelson
Red Wash Representative

18-Mar-05

Date

QUESTAR EXPLR. & PROD.

FIGURE #1

LOCATION LAYOUT FOR

RWS #2ML-14-9-24
SECTION 14, T9S, R24E, S.L.B.&M.
811' FNL 1945' FEL

Winds
Prevailing
SCALE: 1" = 50'
DATE: 01-16-05
Drawn By: D.R.B.

C-2.2'
El. 315.3'

Proposed Access Road

F-12.0'
El. 301.1'

NOTE:
Flare Pit is to be located
a min. of 100' from the
Well Head.

Approx.
Top of
Cut Slope

Sta. 3+50

C-0.3'
El. 313.4'

Round Corners
as Needed

PIPE TUBS

PIPE RACKS

Existing
Drainage

FLARE PIT

Pit Topsoil

C-8.5'
El. 321.6'

El. 318.4'
C-17.3'
(btm. pit)

Sta. 1+75

F-8.0'
El. 305.1'

TOILET

TRAILER

WATER
TANK

Topsoil Stockpile

Approx.
Toe of
Fill Slope

Total Pit Capacity
W/2' of Freeboard
= 10,620 Bbls. ±
Total Pit Volume
= 2,870 Cu. Yds.

El. 322.7'
C-21.6'
(btm. pit)

C-6.0'
El. 319.1'

C-7.4'
El. 320.5'

C-3.5'
El. 316.6'

F-3.0'
El. 310.1'

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5316.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 5313.1'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

QUESTAR EXPLR. & PROD.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

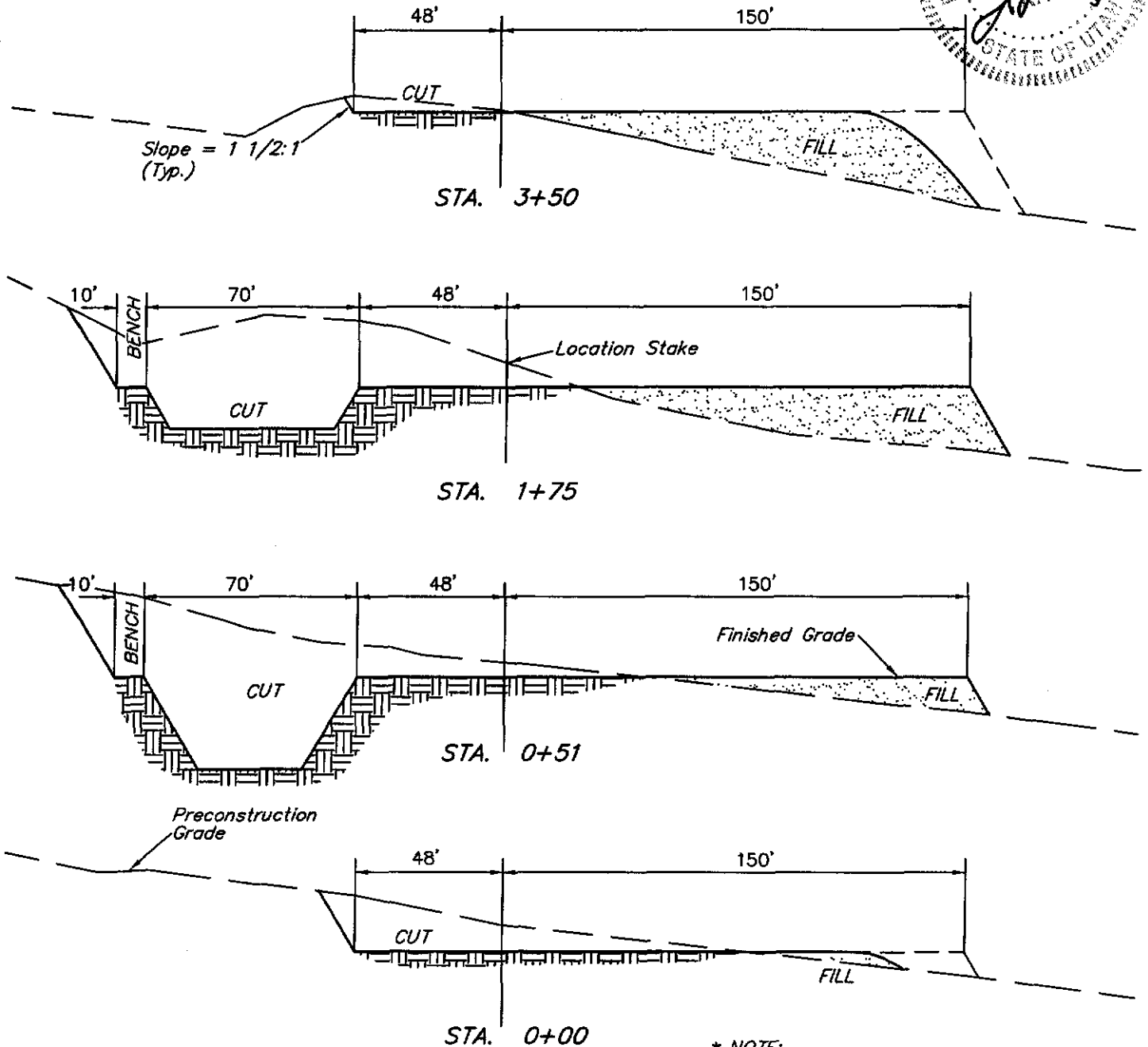
RWS #2ML-14-9-24

SECTION 14, T9S, R24E, S.L.B.&M.

811' FNL 1945' FEL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 01-16-04
Drawn By: D.R.B.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

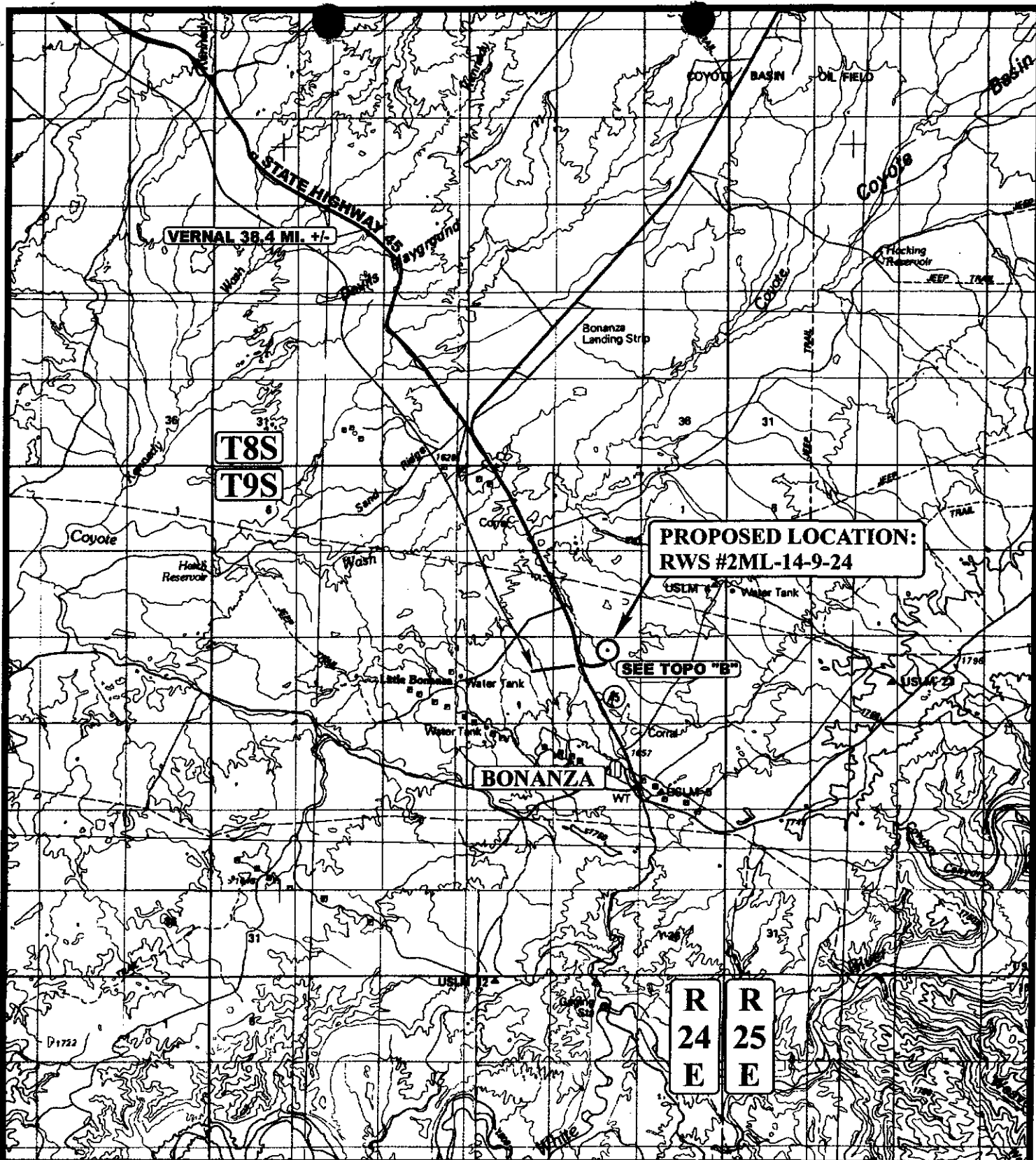
CUT
(6") Topsoil Stripping = 1,840 Cu. Yds.
Remaining Location = 10,610 Cu. Yds.

TOTAL CUT = 12,450 CU.YDS.
FILL = 9,170 CU.YDS.

EXCESS MATERIAL = 3,280 Cu. Yds.
Topsoil & Pit Backfill = 3,280 Cu. Yds.
(1/2 Pit Vol.)

EXCESS UNBALANCE = 0 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



QUESTAR EXPLR. & PROD.

RWS #2ML-14-9-24
SECTION 14, T9S, R24E, S.L.B.&M.
811' FNL 1945' FEL



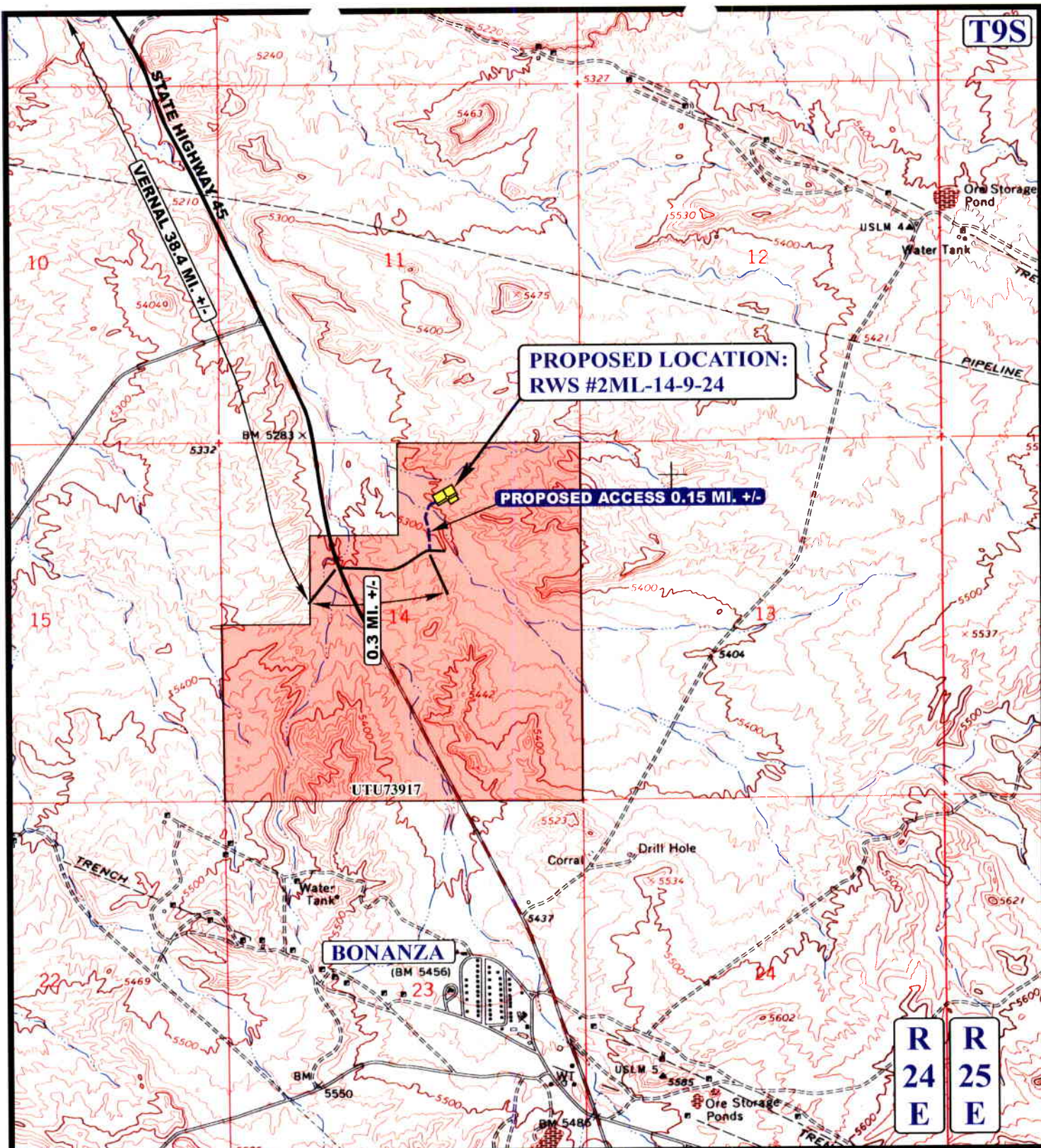
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

01 20 05
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: L.K. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD

QUESTAR EXPLR. & PROD.

RWS #2ML-14-9-24
SECTION 14, T9S, R24E, S.L.B.&M.
811' FNL 1945' FEL

Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

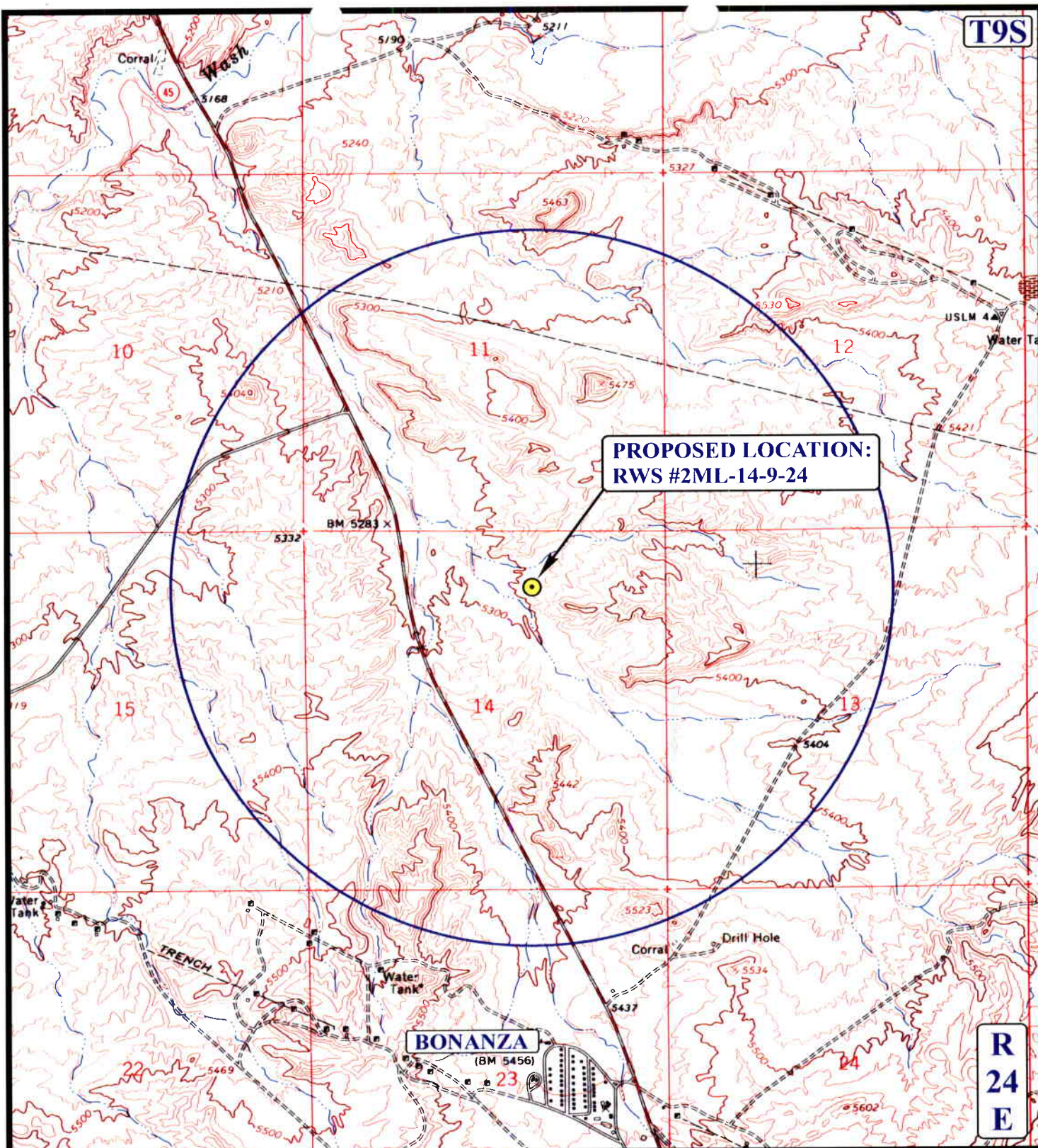


TOPOGRAPHIC
MAP

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00

01 **20** **05**
 MONTH DAY YEAR

B
 TOPO



LEGEND:

- | | |
|-------------------|-------------------------|
| ○ DISPOSAL WELLS | ○ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



QUESTAR EXPLR. & PROD.

RWS #2ML-14-9-24
SECTION 14, T9S, R24E, S.L.B.&M.
811' FNL 1945' FEL



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

01 20 05
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: L.K. REVISED: 00-00-00



QUESTAR EXPLR. & PROD.

RWS #2ML-14-9-24

LOCATED IN UINTAH COUNTY, UTAH

SECTION 14, T9S, R24E, S.L.B.&M.

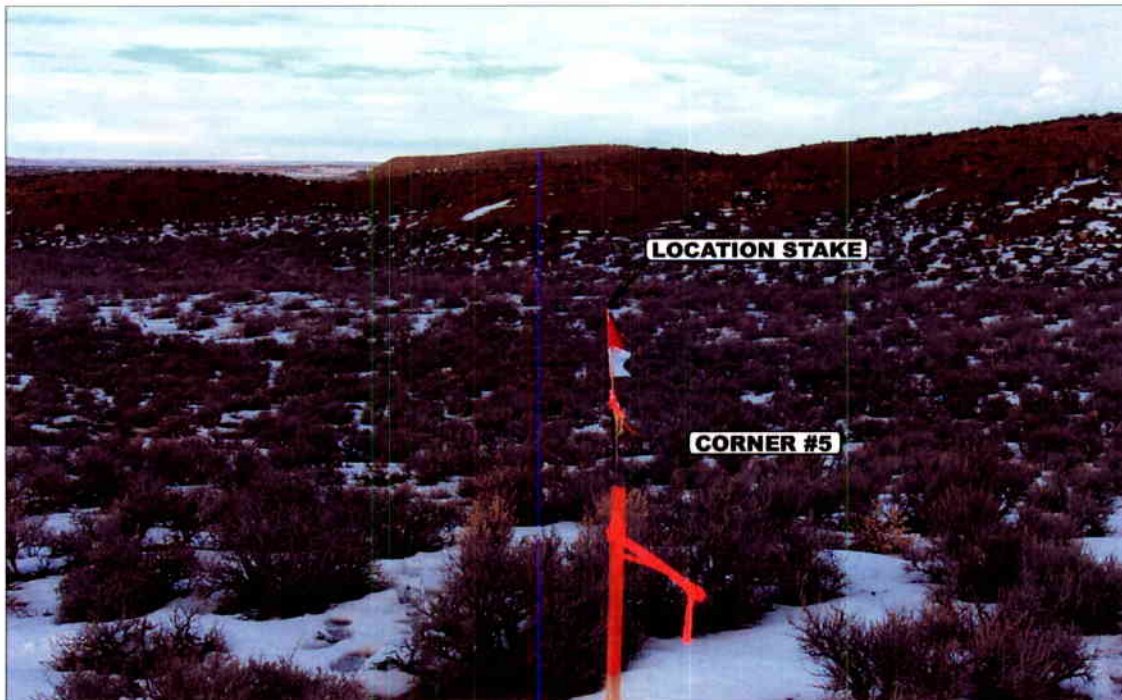


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY

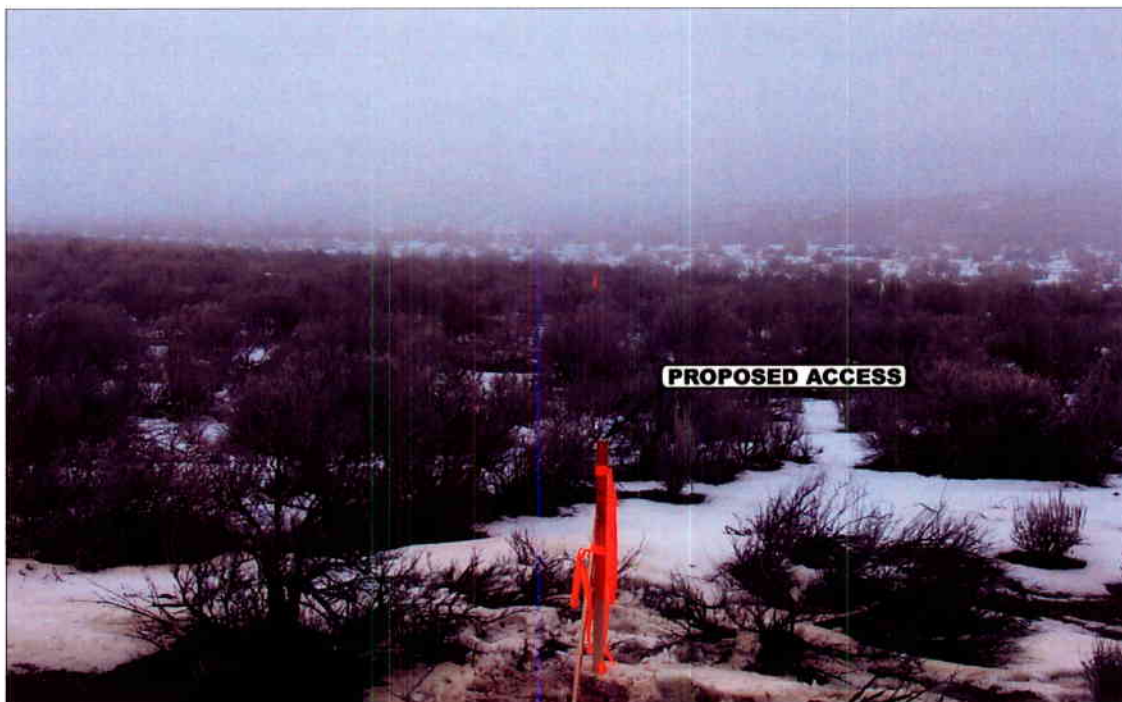


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

01 20 05
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: L.K.

REVISED: 00-00-00

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/28/2005

API NO. ASSIGNED: 43-047-36450

WELL NAME: RWS 2ML-14-9-24

OPERATOR: QEP UINTA BASIN, INC. (N2460)

CONTACT: JAN NELSON

PHONE NUMBER: 435-781-4331

PROPOSED LOCATION:

NWNE 14 090S 240E

SURFACE: 0811 FNL 1945 FEL

BOTTOM: 0811 FNL 1945 FEL

UINTAH

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73917

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 40.04086

LONGITUDE: -109.1783

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ESB000024)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. 49-2153)
- ☒ RDCC Review (Y/N)
(Date:)
- ☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- ___ R649-2-3.
- Unit _____
- ☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- ___ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- ___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval
2- Spacing Strip

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 29, 2005

QEP Uinta Basin, Inc.
11002 E 17500 S
Vernal, UT 84078

Re: RWS 2ML-14-9-24 Well, 811' FNL, 1945' FEL, NW NE, Sec. 14, T. 9 South,
R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-36450.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: QEP Uinta Basin, Inc.

Well Name & Number RWS 2ML-14-9-24

API Number: 43-047-36450

Lease: UTU-73917

Location: NW NE Sec. 14 T. 9 South R. 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT


FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		CONFIDENTIAL	5. Lease Serial No. UTU-73917
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator QEP UINTA BASIN, INC.		Contact: JAN NELSON E-Mail: JAN.NELSON@QUESTAR.COM	7. If Unit or CA Agreement, Name and No.
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		3b. Phone No. (include area code) Ph: 435-781-4331 Fx: 435-781-4329	8. Lease Name and Well No. RWS 2ML-14-9-24
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface NWNE 811FNL 1945FEL 40.04089 N Lat. 109.04089 W Lon. At proposed prod. zone		9. API Well No. 43-047-31450	10. Field and Pool, or Exploratory UNDESIGNATED
14. Distance in miles and direction from nearest town or post office* 40 +/- MILES SOUTHEAST OF VERNAL, UT.		11. Sec., T., R., M., or Blk. and Survey or Area Sec 14 T9S R24E Mer SLB	12. County or Parish UINTAH
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 811 +/-		13. State UT	17. Spacing Unit dedicated to this well 40.00
16. No. of Acres in Lease 1098.00		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 7250 MD	20. BLM/BIA Bond No. on file ESB000024
19. Proposed Depth 7250 MD		21. Elevations (Show whether DF, KB, RT, GL, etc.) 5313 GL	23. Estimated duration 10 DAYS
22. Approximate date work will start		24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) JAN NELSON Ph: 435-781-4331	Date 03/18/2005
Title REGULATORY AFFAIRS ANALYST		
Approved By (Signature) 	Name (Printed/Typed)	Date 08/31/2005
Title Assistant Field Manager Mineral Resources	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Electronic Submission #55219 verified by the BLM Well Information System
For QEP UINTA BASIN, INC., sent to the Vernal
Committed to AFMSS for processing by LESLIE WILCKEN on 03/25/2005 ()

RECEIVED
SEP 14 2005

DIV. OF OIL, GAS & MINING

400610
NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

1103 4/9/05

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: QEP Uintah Basin Inc.
Well Name & Number: RWS 2ML-14-9-24
API Number: 43-047-36450
Lease Number: U-73917
Location: NWNE Sec. 14 T.9S R. 24E
Agreement: N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Report ALL water shows and water-bearing sands to John Mayers of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to.

Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

As a minimum requirement, the operator must bring the top of cement behind the production casing at least 200' above the surface casing shoe.

Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

A cement bond log (CBL) will be run from the production casing shoe to top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Please submit an electronic copy of all logs run on this well in LAS format. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF or other).

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Written notification of such must be submitted to this office not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained

from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Other Information

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Matt Baker (435) 828-4470
Petroleum Engineer

Michael Lee (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt

The pipeline shall be buried within the identified construction width of an access corridor that contains the access road and pipelines. The operator may request in writing an exception to this COA. Exceptions to this COA may include but are not limited to: laterally extensive, hard indurated bedrock, such as sandstone, which is at or within 2 feet of the surface; and, soil types

with a poor history for successful rehabilitation. The exception request will be reviewed by the authorized officer (AO) and a determination made.

Prior to abandonment of a buried pipeline, the operator will obtain authorization from the appropriate regulatory agency. BLM will determine whether the pipeline and all above ground pipeline facilities shall be removed and unsalvageable materials disposed of at approved sites or abandoned in place. Reshaping and revegetation of disturbed land areas will be completed where necessary.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</small>		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73917
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
		7. UNIT or CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: RWS 2ML-14-9-24
2. NAME OF OPERATOR: QEP UINTA BASIN, INC		9. API NUMBER: 4304736450
3. ADDRESS OF OPERATOR: 11002 E. 17500 S. CITY VERNAL STATE UT ZIP 84078	PHONE NUMBER: (435) 781-4331	10. FIELD AND POOL, OR WILDCAT: UNDESIGNATED
4. LOCATION OF WELL		
FOOTAGES AT SURFACE: 811 FNL 1945 FEL		COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 14 9S 24E		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: APD EXTENSION
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

QEP Uinta Basin, Inc. hereby requests a 1 year extension on the RWS 2ML-14-9-24

Approved by the
Utah Division of
Oil, Gas and Mining
 Date: 03-27-06
 By: [Signature]

NAME (PLEASE PRINT) <u>Jan Nelson</u>	TITLE <u>Regulatory Affairs</u>
SIGNATURE <u>[Signature]</u>	DATE <u>3/22/2006</u>

(This space for State use only)

MAR 24 2006

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-36450
Well Name: RWS 2ML-14-9-24
Location: 811 FNL 1945 FEL, NWNE, SEC. 14 T9S R24E.
Company Permit Issued to: QEP UINTA BASIN, INC.
Date Original Permit Issued: 3/29/2005

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

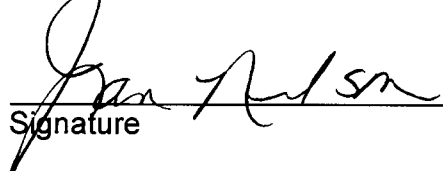
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature

3/22/2006

Date

Title: REGULATORY AFFAIRS

Representing: QEP UINTA BASIN, INC.

MAR 24 2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 16, 2007

Jan Nelson
QEP Uinta Basin Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: APDs Rescinded at the request of QEP Uinta Basin

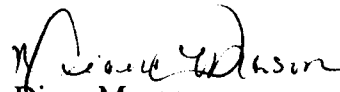
Dear Ms. Nelson:

Enclosed find the list of APDs that you requested to be rescinded to QEP Uinta Basin Inc. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective April 13, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal

Page 2
April 16, 2007
Subject:

RWS 7ML-1-9-24
RWS 5ML-1-9-24
RWS 16ML-14-9-24
RWS 10ML-14-9-24
RWS 2ML-14-9-24
BSW 15ML-12-9-24
BSW 13ML-12-9-24
BSW 7ML-12-9-24
BSW 3ML-12-9-24
BSW 15ML-13-9-24
BSW 13ML-13-9-24
BSW 9ML-13-9-24
BSW 7ML-13-9-24
BSW 3ML-13-9-24



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410



IN REPLY REFER TO:

3160
UT08300

February 14, 2008

Jan Nelson
Questar Exploration & Production, Co.
11002 East 17500 South
Vernal, UT 84078

43-047-36450

Re: Notice of Expiration
Well No. RWS 2ML-14-9-24
NWNE, Sec. 14, T9S, R24E
Uintah County, Utah
Lease No. UTU-73917

Dear Ms. Nelson:

The Application for Permit to Drill the above-referenced well was approved on August 31, 2005. No extension of the original APD was requested. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM – Diana Mason

RECEIVED
FEB 20 2008
DIV. OF OIL, GAS & MINING